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United States  
Department of  
Agriculture

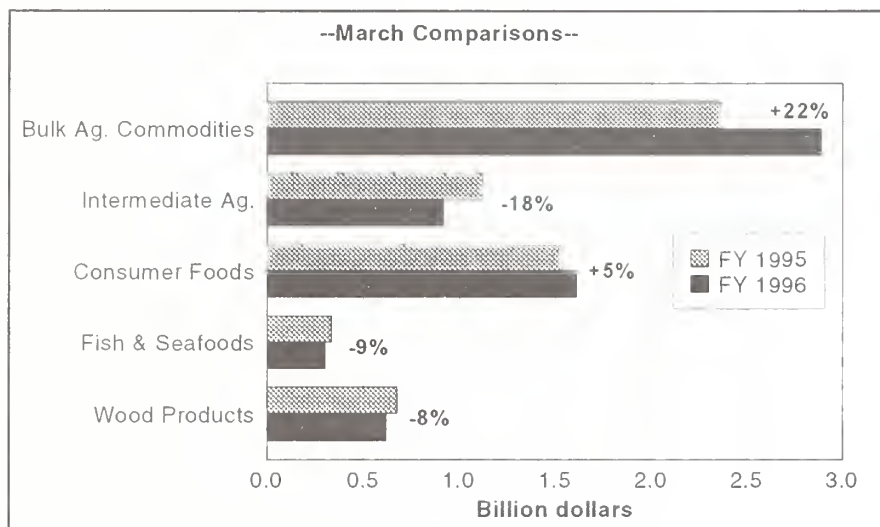
Foreign  
Agricultural  
Service

Circular Series

ATH 5 96  
May/June 1996

# Agricultural Trade Highlights

## Exports Rise 5 Percent in March



March trade statistics released by the Commerce Department on May 17 placed the value of U.S. agricultural, fish, and forest product exports at \$6.1 billion, a 5-percent increase over the March 1995 level. Agricultural exports alone totaled \$5.4 billion, up 8 percent over year-ago levels. Fish and forest product exports totaled \$929 million in March, down 9 percent from the same month last year.

March shipments brought the 6-month year-to-date total for agricultural, fish, and forest product exports in fiscal year 1996 to \$36.7 billion, 10 percent higher than the first half of fiscal year 1995. Agricultural exports were the best performers, up 12 percent over the same period last year at \$31.9 billion. Bulk agricultural exports were up 25 percent at \$16.4 billion in the first half of fiscal year 1996. Higher prices and a strong foreign demand for coarse grains, soybeans, and wheat continue to support higher U.S. export values for these commodities. Export value for intermediate agricultural products declined 7 percent during the first half of fiscal year 1996 to \$5.6 billion. Nearly all of the decline is attributed to lower

soybean oil exports, which largely reflect a steep drop in Chinese purchases. Exports of U.S. high-value consumer-oriented products were up 7 percent during the first 6 months of fiscal year 1996 at \$9.9 billion and appear headed for a new record export value this year. Increased exports of red meat and poultry meat lead all gains in this category.

USDA released its fourth agricultural export forecast for fiscal year 1996 on May 30, unchanged from February's \$60 billion figure. The value of wheat, corn, cotton, and poultry exports was revised upward but reductions for oilseeds, hides, and horticultural products were offsetting. The fiscal year 1996 forecast for U.S. agricultural imports was raised \$1 billion to \$30.5 billion due to higher imports of cocoa, sugar, and horticultural products. The U.S. agricultural trade forecast for fiscal year 1996, therefore, is revised to \$29.5 billion. This year's trade surplus will exceed the previous record of \$26.6 billion set in fiscal year 1981.

U.S. agricultural export value rose to five of the top ten markets in March. Sales were up sharply to Mexico, Japan,

and South Korea while more moderate gains were recorded for Taiwan and Canada. With March trade data, we now have a 3-month record on the recovery of U.S. trade with Mexico one year after the peso crisis. March agricultural exports were up 96 percent from year-ago levels. In January and February they were up 60 and 49 percent, respectively. This, combined with exports during October-December, favorably positions U.S. exports for setting a record export level with Mexico in fiscal year 1996.

**Editors Note:** This issue of *Agricultural Trade Highlights* contains tabular trade data and graphics presentations based on March 1996 export data. The previous issue contained January 1996 export figures. This represents an attempt to provide the readership with the most current trade data available. Additionally, the current issue of *Agricultural Trade Highlights* is labeled May/June 1996, while our previous edition was labeled April 1996. No break in the monthly series is occurring and subscribers will continue to receive 12 monthly issues. *Agricultural Trade Highlights* is now being labeled by the month of distribution. Since trade data is not released by the Department of Commerce until the third week in the month, *Agricultural Trade Highlights* will be available early the following month. Our next issue will be labeled July 1996.

### Inside This Issue...

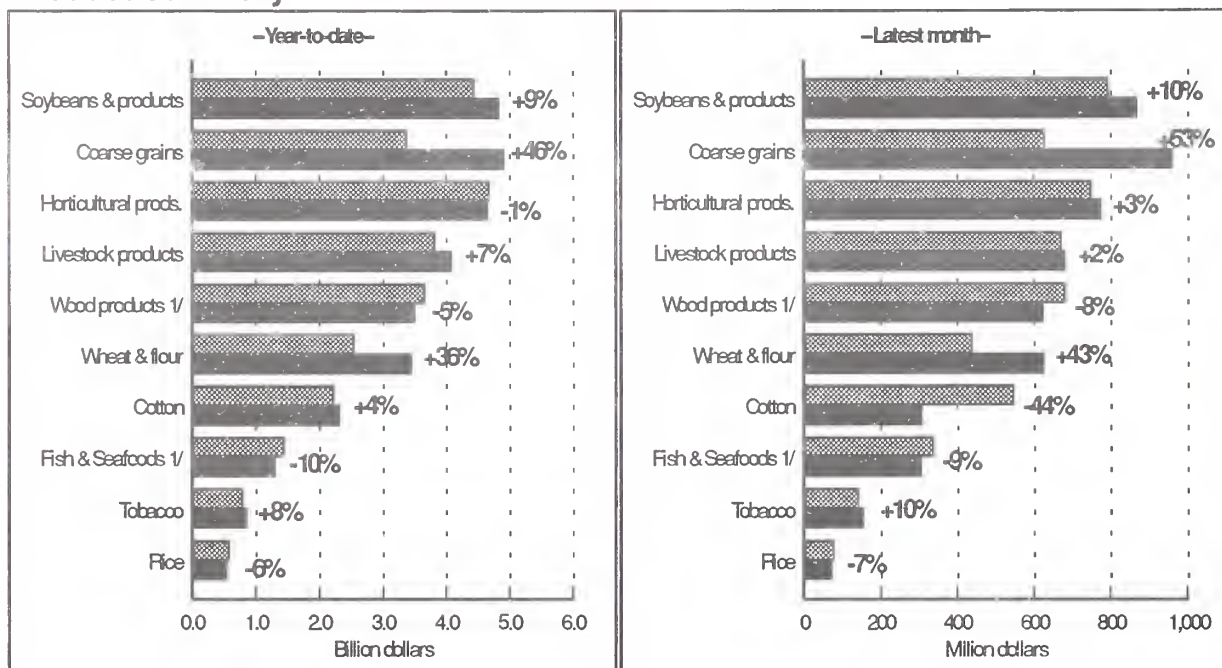
	Page
Feature:	
Agric. Exports/FAS Role	3
Country Profile:	
South Africa	8
Trade Event:	
South Africa Food Show	14
Market Updates	16
Statistical Section	21

# U.S. Agricultural, Fish and Wood Export Summaries

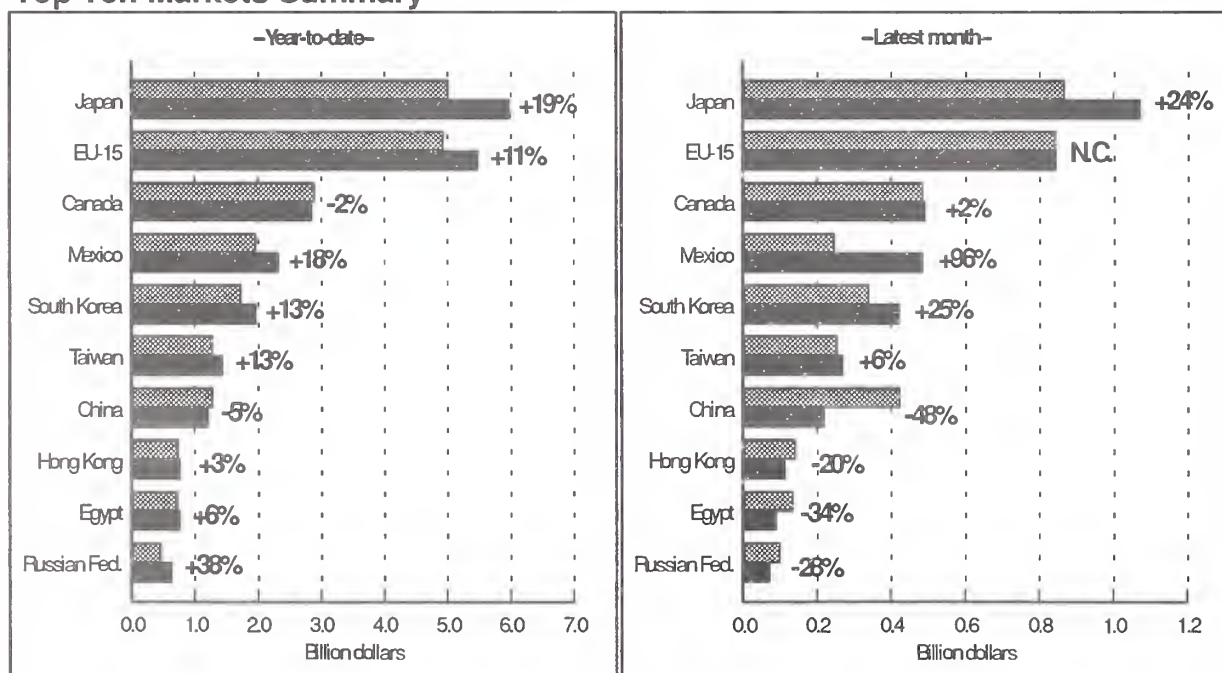
## October-March and Latest Month Comparisons

■ FY 95 ■ FY 96

### Product Summary



### Top Ten Markets Summary



Note: Percentages are computed as the change from a year ago.  
1/ Not included in agricultural totals.

## Feature: U.S. Agricultural Exports--Overview and FAS Role

*Secretary of Agriculture Dan Glickman recently stated, "trade and exports are the future for American agriculture." Under the new Farm Bill, commodity payments and support prices have become far less important to the economic well-being of American agriculture than ensuring that we remain competitive globally. The following was excerpted from a statement submitted by August Schumacher, Jr., Administrator of USDA's Foreign Agricultural Service (FAS) before the Senate Subcommittee on Agriculture, Rural Development, and Related Agencies on April 23, 1996. Mr. Schumacher reviewed the work of FAS and presented the President's budget request for fiscal year 1997. As of mid-June, Congress was still considering the Department's fiscal year 1997 appropriation.*

### 1995--A Record Year For Exports

U.S. agriculture chalked up a record-shattering trade year in fiscal year 1995, and trade analysts are forecasting another year of strong growth in 1996. In 1995, agricultural exports surged to an unprecedented \$54.1 billion, easily eclipsing the previous sales peak of \$43.8 billion set back in fiscal year 1981. In fact, U.S. agricultural exports have more than doubled in value since enactment of the 1985 Farm Bill.

Compared with fiscal year 1994, exports climbed \$10.7 billion, the largest dollar-value increase ever recorded in a single year. Sales were up in all three major categories of agricultural exports--bulk commodities, intermediate products and consumer foods. Export growth substantially out paced imports, raising the fiscal year 1995 agricultural trade surplus to \$24.6 billion--the highest in 14 years.

Exports of wood and fish products also strengthened in fiscal year 1995. U.S. wood product exports were valued at \$7.3 billion, up 5 percent from 1994 and virtually even with the 1993 record. Edible fish and seafood exports, at \$3.2 billion, were up 9 percent. Combined U.S. exports of agricultural, wood, and fish products in fiscal year 1995 totaled \$64.6 billion, a 21-percent gain over 1994 and a new all-time high.

Let me put these figures into perspective for you by citing just a few examples of what this means for U.S. agriculture and the economy as a whole.

- For the first time in history, the United States is exporting more than \$1 billion in agricultural products a week.

- U.S. exports of agricultural, fish, and forestry products to Japan last year totaled a record-high \$16.1 billion, more than half of the total value of new road vehicles imported from Japan in 1995.

- Each day, U.S. producers and processors exported nearly \$14 million worth of fruits and vegetables, almost \$12 million of red meats, more than \$5 million in poultry meat, and around \$3 million worth of snack foods.

- In 1995, the United States became a net exporter of pork (in volume and value terms) for the first time in 43 years. While the United States has been a net exporter of beef (in value terms) since 1988, this year, we're forecasting that the United States will become a net beef exporter (in volume terms) for the first time.

As you can see, we're experiencing major--and we think sustainable--growth in export demand as our product mix becomes more diversified and as we implement the trade agreements that have improved market access. The United States is not only the world's largest exporter of agricultural products, but we are also the most reliable competitor. And as domestic farm supports are reduced, export markets become even more critical for the economic well-being of our farmers and rural communities as well as suburban and urban areas dependent upon the employment generated from increased trade.

Last year, I told you about our export goal--\$65 billion by the year 2000. The Department's latest forecast for fiscal year 1996 projects we are well on our way to reaching that goal. The export forecast released just last month anticipates a record-high \$60 billion in exports of U.S. agricultural products, up \$5.9 billion from \$54.1 billion last year. In the first 3 months of fiscal year 1996, U.S. agricultural exports overall were up 9 percent, with bulk commodities up 25 percent, semi-processed products down about 6 percent, and our consumer food exports up 5 percent. Exports were running ahead of year-earlier levels in eight of our top ten markets.

Some of this success can obviously be linked to our trade policy work. For example, last year the United States and Korea reached an agreement that successfully resolved the U.S. red meat industry's Section 301 petition and the related World Trade Organization (WTO) shelf-life dispute. As a result, U.S. exports of meat and other foods to Korea are expected to increase at least \$240 million per year in the near term, and up to \$1 billion annually in 1999.



## ...Export Overview and FAS Role

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FAS also played a critical role in bringing the long-standing issue of access to Japan's market for U.S. apples to a successful conclusion, with Washington State apples entering the market in January 1995.

On a multilateral basis, the Uruguay Round agreement and the new World Trade Organization (WTO) represent important first steps in reforming the global trading system, opening markets, and establishing new rules for fair trade. We believe that trade reform is the key to improving economic growth. Free trade stimulates competition, helps gear production to demand, increases employment, boosts investment, and bolsters economic growth.

Some of our success must also be attributed to our food aid and commercial export programs. In fiscal year 1995, GSM-102 export credit guarantee allocations totaled \$4.1 billion and registrations totaled \$2.8 billion for 31 countries and 5 regions. Sales were registered with Mexico for \$1.4 billion of U.S. agricultural products including cotton, feed grains, oilseeds, protein meals, wheat, and vegetable oils; registrations for Pakistan totaled \$200 million for dairy products, feed grains, oilseeds, pulses, and wheat.

In addition, our food aid authorities--P.L. 480, Title I, Section 416(b), and Food for Progress--provided about 1.4 million metric tons of food assistance to 25 countries during fiscal year 1995. The value of these commodities was about \$352 million.

### Challenges Ahead

While we're well on our way to reaching our goal, much work lies ahead. Building prosperity with our trading partners means a shared commitment to trade liberalization and new trade rules; it means reciprocity; it means not just freer trade, but fair trade. All members of the WTO have a responsibility to implement their commitments fully and observe the new disciplines faithfully. One area of increasing concern is sanitary and phytosanitary restrictions. We intend to continue working with our trading partners through the WTO and bilaterally to address these concerns and to ensure that such import restrictions are based on sound science.

In addition, new issues are emerging that require a cooperative approach, such as the trade treatment of biotechnology products. New developments in biotechnology have the potential to increase food production, lower farming costs, improve food quality and safety, and enhance environmental quality. However, these benefits for both farmers and

consumers will not easily be realized without greater harmonization of trade policies.

We also continue our work to implement the North American Free Trade Agreement (NAFTA). We are pleased by the progress we have seen under the NAFTA. In agriculture alone, two-way trade with both of our North American trading partners has increased by nearly 20 percent since 1993, the year before the agreement went into effect. U.S. agricultural exports to Canada and Mexico in fiscal year 1995 totaled a record \$9.5 billion.

NAFTA has also facilitated cooperative efforts to deal with trade issues that arise. The recent report of the U.S.-Canada Grains Commission will be useful to both our governments in dealing with a difficult issue. Another recent example is a memorandum of understanding with Mexico, under which Mexico's livestock producers dropped an anti-dumping suit against U.S. producers in exchange for U.S. credits to replace Mexico's drought-reduced heifer herds. The road is not always smooth, and we face some contentious issues ahead, but cooperation can sometimes lead to a successful outcome.

Work also continues on the Free Trade Area of the Americas, or the FTAA, proposed by President Clinton at the Summit of the Americas in December 1994. Countries throughout this region have agreed to hemispheric free trade by 2005.

Another important initiative has been undertaken through APEC--Asia-Pacific Economic Cooperation. APEC has embarked on a very ambitious agenda for establishing free trade among the broad Asian-Pacific community of nations. Last November in Osaka, the leaders of APEC nations committed themselves to trade liberalization in all sectors, including agriculture, and set out an agenda to achieve these goals. We expect these commitments to be reflected in the action plans that APEC members are now developing to proceed on this agenda.

We also will face challenges in our work with developing countries. These countries are important to U.S. agricultural interests now and will become even more so as we move into the next century. Two dollars out of every five that U.S. farmers earn in world markets are earned in developing markets, and these markets are where the biggest growth opportunities lie for U.S. agriculture. We will continue to use all the tools available to us-- the Cochran Fellowship program, scientific exchanges and collaborative research, for example --to help ready American agriculture for the next century.

## **...Export Overview and FAS Role**

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But in the end, we believe that open markets and expanded trade offer the best and surest ways to economic growth and prosperity. But these opportunities won't just fall into our laps. Our competitors have agricultural export promotion programs in place to compete in the new trading environment. The EU and other countries assist their producers and small businesses to develop foreign markets through activities similar to our Market Promotion Program and Foreign Market Development Program. EU member state governments contributed \$117 million last year to agricultural producer and small business market development activities. The Australian, Canadian, and Chilean governments provided \$70 million to producer promotion boards and small businesses for export market development in the same period.

Market development expenditures by governments and producer boards for the 18 countries surveyed by FAS totaled \$680.4 million in 1994/95. Australia, France, the Netherlands, and New Zealand spent between \$80 million and \$125 million each to promote agricultural exports.

As our study shows, our competitors are not standing still. We in the United States can not stand still either. We must continue to:

- identify constraints to U.S. exports and implement strategies for overcoming these constraints;
- aggressively pursue reductions of trade barriers and trade-distorting practices on the part of key trading partners;
- ensure that U.S. farmers and our research community have information about areas of emerging foreign demand;
- defend U.S. agricultural interests by keeping U.S. policy views before the international community;
- strengthen the export knowledge and skills of producers, processors, and exporters so they can compete more effectively in the international market place;
- educate foreign buyers on the merits of U.S. products and how they can be purchased; and
- support economic development efforts, especially in emerging markets and developing countries.

It is only through these aggressive measures that we will succeed in meeting the competitive challenges facing us now and in the future.

### **FAS Budget Request**

These challenges that I just described illustrate why I believe FAS must continue to play a prominent role in export

expansion. Today's budget realities mean that government must be leaner and more efficient, but the era of responsive government is not over. While there are things that government can't or shouldn't do, there are many legitimate public needs that only government can meet. Whether it's working to resolve trade disputes, supporting the American private sector as it battles in export markets against foreign competitors flush with funds from their national treasuries, or educating potential exporters, FAS has a vital role to play.

Mr. Chairman, last year the President's fiscal year 1996 budget for FAS proposed just such an approach. While not all of the proposed increases were funded, the support of this Committee allowed FAS to take significant steps toward achieving the Department's export expansion objectives.

With increased appropriations in fiscal year 1996, FAS expanded market development activities including the Cooperator Program and our international trade show and trade mission activities. Additional funds were allocated to the Cochran Fellowship Program, which brings funding for this important activity to near \$2.5 million. To confront what is rapidly emerging as the most important type of non-tariff barrier--sanitary and phytosanitary standards--a Sanitary and Phytosanitary Trade Policy Team was established.

Additional funds in fiscal year 1996 allowed FAS to initiate a program to consolidate and expand our agricultural counselor/attaches and trade offices overseas, with an increased emphasis on market development activities in key emerging markets. During fiscal year 1996, we have begun to focus on domestic outreach efforts by establishing the FAS Home Page on the World Wide Web and by placing FAS employees on temporary duty status in strategic locations around the United States to facilitate the entry of small- and medium-sized producers into the export market.

We believe the future offers continued opportunity for the expansion of U.S. agricultural exports. Strengthening our ability to compete globally has the direct payoff of increased farm income for America's farmers and ranchers and the continued economic development of rural communities. Our fiscal year 1997 request builds on the foundation provided by this Committee in fiscal year 1996.

Mr. Chairman, the FY 1997 FAS budget proposes a funding level of \$137.1 million and 923 staff-years, an increase of \$12.4 million and 16 staff-years above FY 1996 levels. Much of this increase contributes to the Administration's commitment to increase program levels for "greenbox" and other GATT-consistent export promotion and related

# ...Export Overview and FAS Role

programs. In addition, the portion of the Office of the General Sales Manager previously funded from CCC is included in the fiscal year 1997 FAS appropriation request.

Specifically, our budget proposes to:

## 1. Improve Market Development

We are requesting an increase of \$4 million for the Foreign Market Development Cooperator Program. At the direction of this Committee, the activity level for the Cooperator Program has been maintained at \$34 million for the past 2 fiscal years, using carryover balances as necessary. As the result, carryover balances are nearing depletion. This increase, coupled with a \$2 million increase this Committee approved for fiscal year 1996, will help restore funding continuity for this program, and avoid having to curtail FAS market expansion efforts overseas. In fiscal year 1997 FAS will be adding a competitive process for awarding funds to participating Cooperators. This process will place emphasis on initiatives that target new market opportunities and achieve administrative efficiencies. We believe that maximizing U.S. agricultural exports is best achieved through a cooperative effort between USDA and producers, with costs shared by both parties. The cooperative relationship of the private sector and the Department, facilitated through the Cooperator Program, is key to achieving USDA's export expansion goals.

## 2. Strengthen Our Overseas Marketing and Information Base

Using USDA's Long-Term Agricultural Trade Strategy as a guide, we examined the FAS overseas field structure in the context of our locations in emerging market regions with the greatest growth and development potential for U.S. agricultural exports and our ability to monitor the implementation and enforcement activities for trade agreements. During fiscal year 1996 we are undertaking the initial steps to begin repositioning our existing field resources accordingly. USDA's overseas presence is enhanced by the co-location of selected Foreign Market Development Cooperators. Efforts to achieve increased cost-sharing, which could include rental payments, with these Cooperators will continue. For fiscal year 1997, we are requesting \$4.2 million to open seven new overseas offices and expand seven others in key international markets. This will support the following changes:

### Summary of Agricultural Trade Office (ATO) Expansion

Hamburg, Germany	Expand existing ATO
Milan, Italy	Convert attache office to ATO
Guangzhou, China	Expand existing ATO
Shanghai, China	Expand existing ATO
Sao Paulo, Brazil	Open new ATO
Jakarta, Indonesia	Expand existing ATO
Moscow, Russia	Expand existing ATO
Miami, Florida	Open new Caribbean Regional ATO

### Summary of Counselor/Attache Office Expansion

Geneva, Switzerland	Expand existing office
Beijing, China	Expand existing office
Beijing, China	Establish temporary duty support office
Mexico	Establish 2 border offices
Brussels, USEU	Establish EU policy information center/clearinghouse

## 3. Increase Domestic Awareness of Export Opportunities

We are proposing two initiatives to facilitate export readiness and help link both export ready and new-to-export firms to market entry opportunities. These include:

--\$1,500,000 for Phase I of a Distributor Development Program. Recent economic growth in Latin America and the Pacific Rim/Asia, and economic reforms in Russia, are creating unprecedented potential for exporters of U.S. agricultural products. While there is strong consumer interest in U.S. products in these markets, the distribution of U.S. foods is currently constrained by:

- a lack of knowledge about emerging markets on the part of U.S. exporters,
- poorly developed marketing systems for food products, and
- a lack of information about how to buy and market U.S. products.

The proposed Distributor Development Program will develop strategies for groups of products that have particularly high potential in specific markets, to get ahead of our competition,



## ...Export Overview and FAS Role

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and firmly establish distribution for U.S. foods in key growth and emerging markets. This multi-year strategy would include market research and an educational campaign for U.S. exporters in the first year; marketing workshops and buying missions in the second; and joint promotions by Cooperators using MPP funds supplemented by Distributor Development funds.

--An increase of \$1,500,000 for FAS funding for the Federal/State Market Improvement Program (FSMIP). FSMIP provides matching funds for State Departments of Agriculture projects intended to improve local marketing systems. Under this proposal, FAS will develop projects designed to expand the predominately domestic focus of producers to the international marketplace. Project activities will include development of innovative marketing techniques to seek outlets for farm products in the international market place and improving State expertise in providing services to encourage marketers into the export market.

### 4. Improve Our Commercial Credit Tools

An increase of \$345,000 and five staff-years is requested for the Office of the General Sales Manager to support the administration of supplier credit guarantees. This activity is designed to increase the buying power of our customers for agricultural products, particularly oriented toward consumer-ready products not currently covered under GSM 102/103. This activity, a component of the Department's "greenbox" initiative, requires additional support resources because of the new products to be covered and because we expect it will result in a pickup in our overall export credit programming activity and workload.

### 5. Fund Administrative Adjustments

The budget proposes an increase of \$1.6 million for fiscal year 1997 pay costs. In support of the President's executive order to reduce employment and promote the efficient use of resources for administrative purposes, the budget also proposes a reduction of \$737,000 to be achieved by eliminating 12 FTE and related support costs.

### FAS Export Programs

Mr. Chairman, the commercial export programs we administer are expected to grow in importance as the market-opening provisions of the Uruguay Round Agreement are implemented. Our program proposals provide the tools to meet these new sales opportunities, tempered by the need to

reduce federal spending.

For the CCC export credit guarantee programs, the budget proposes a total program level of \$5.5 billion. This includes \$5 billion for the GSM-102 program and \$500 million for the GSM-103 program. As part of the GSM-102 program, the budget includes \$250 million for supplier credit guarantees and \$100 million for facilities financing guarantees. Supplier credit guarantees will focus on facilitating sales of processed and consumer-ready products, and programming should begin later this year once program regulations are in place. Facilities financing guarantees will address infrastructure barriers to trade of U.S. agricultural products by focusing on projects that will improve the handling, marketing, storage, or distribution of imported agricultural products and commodities. The Federal Agriculture Improvement and Reform (FAIR) Act of 1996 extended the authority for this activity and guarantees will be made available once new regulations are published.

For the P.L. 480 food assistance programs, the budget proposes a total program level of just over \$1.1 billion. This will support approximately 3.2 million tons of commodity assistance in fiscal year 1997, a reduction of 200,000 tons from the current fiscal year 1996 estimate. While funding for Titles I and III are reduced, the budget proposes higher levels for Title II, ensuring that adequate resources are available to meet the most serious food assistance needs. As the Committee is aware, the FAIR Act of 1996 contains a number of revisions to P.L. 480 statutory authorities. For Title I concessional sales, these changes will streamline program administration and operations while increasing the programs market development effectiveness. For the Market Promotion Program, the budget proposes a program level of \$110 million for fiscal year 1997, the authorized program level, and unchanged from fiscal year 1996. However, provisions included in the FAIR Act will now limit funding for this program at \$90 million beginning in fiscal year 1996. For our subsidy programs--the Export Enhancement Program, Dairy Export Incentive Program, Sunflowerseed and Cottonseed Oil Assistance Programs--the budget provides the maximum levels that are consistent with the quantity and expenditure reduction commitments required under terms of the Uruguay Round Agreement on Agriculture. However, provisions of the FAIR Act will limit funding for the Export Enhancement Program to \$250 million, approximately \$600 million below the budgeted level.

This concludes my statement, Mr. Chairman. I will be glad to answer any questions.

## Country Profile: South Africa

*Marketing opportunities for U.S. agricultural products continue to expand in South Africa, the largest and most developed economy in Sub-Saharan Africa. Major economic and trade reforms are being implemented as the country seeks full reinstatement to the international trading community after years of isolation. South Africa's historic transformation in 1994, from white minority rule to a democratic government, has been accompanied by an equal transformation in its bilateral relationship with the United States. The formation on December 5, 1995, of the U.S.-South Africa Binational Commission's Agriculture Committee is proving to be an effective tool in ensuring that issues related to trade and investment are resolved expeditiously at the highest levels of government. One of the many USDA-sponsored programs and projects underway in support of the goals of the Binational Commission is the American Foods Pavilion at the Food and Hotel Africa '96 trade show, which will take place in Johannesburg next November. This will be the first international event offering U.S. exporters an entry point into the South African market.*

South Africa held its first all-race election to select a multiracial government in April 1994. The Government of National Unity, led by Nelson Mandela and his African National Congress party, assumed power. A permanent constitution was adopted in May 1996. The stability that has followed the peaceful transition of political power in

South Africa has created an environment of enthusiasm for South Africa and the southern Africa region as a whole.

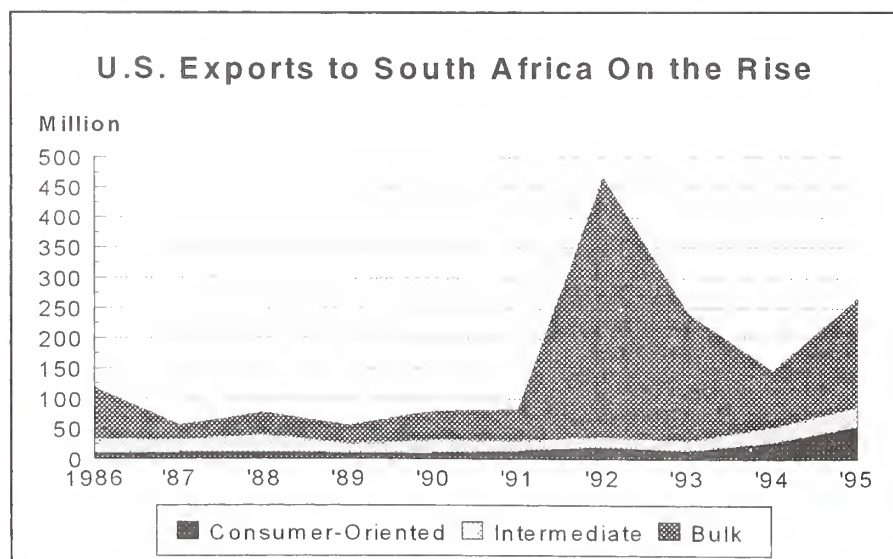
South Africa may be poised for an economic boom over the next several years thanks to a global economic upturn, growth in its agricultural sector, export expansion, and public and private sector

investment in the country's infrastructure. This in turn will generate additional employment and higher disposable incomes, and rectify many of the social and economic inequities promoted by the previous apartheid government. As all 45 million South Africans become fully integrated into this emerging economic powerhouse, a new dynamic middle class is appearing that will create increased demand for imported consumer foods and services.

South Africa emerged from a prolonged recession in 1993 when the economy recorded a modest 1-percent growth, the first positive figure in 5 years. Although economic activity fell during the first quarter of 1994 in response to a general feeling of uncertainty leading up to the national elections in April, real growth in the South African economy for all of 1994 reached 2.3 percent. South Africa's gross domestic product (GDP) increased 3 percent in 1995 and is projected to grow 3.8 percent in 1996.

### Agricultural System

Agriculture represents a key sector of the South African economy. It accounts for more than 25 percent of the country's GDP (including food processing and distribution) and employs about 30 percent of the population. Subtropical climatic zones following the eastern and southern coastal areas specialize in horticulture and sugarcane. The rest of the country consists of arid to semi-arid regions where agricultural activities are devoted primarily to livestock and grain cultivation. Rainfall is the primary determinant of production, with less than 40 percent of the country receiving more than 20 inches of precipitation annually. Less than 15 percent of South Africa is considered arable.



## ...South Africa

The relative importance of South Africa's horticultural sector is growing at the expense of field crops. Horticultural production accounted for 21 percent of the total value of agricultural output in 1994, up from 14 percent in the early 1980's. During this same period, field crops fell from 49 percent of total agricultural output value to 36 percent. This trend is expected to continue following the implementation of the Uruguay Round agreement and the opening of South Africa's market to foreign competition. This trend also is being reinforced by the opening of other markets to high-value South African agricultural products. South Africa's horticultural exports enjoy a seasonal advantage in European markets

### Reconstruction and Development

The government adopted the Reconstruction and Development Program (RDP) as an integrated policy framework for implementing broad-based social and economic changes in the South African society. The RDP calls for an examination of every sector of the economy and every facet of life. The RDP has established several themes for implementing changes to the agricultural sector. These include: encouraging small-scale agriculture and spreading the ownership base, increasing production and employment, removing unnecessary agricultural marketing controls and unsustainable subsidies, improving farm working conditions, improving research and extension activities, and supporting value-added and export activities.

The RDP emphasizes the importance of rural and agricultural development in achieving sustainable economic growth and reducing poverty. Land reform is viewed as essential by the government but remains a politically sensitive subject. White farmers dominate commercial agriculture in South Africa. There are approximately 120,000 white farmers

operating units of about 200 hectares. In comparison, the country has only 3,000 commercial black farmers operating farms averaging less than half a hectare. South African agriculture also employs about 2 million black subsistence farmers and about 3 million black farm laborers. Approximately 45 percent of the population have incomes that fail to reach the minimum subsistence level. Nearly 95 percent of these impoverished South Africans are black and reside in rural (farm) areas.

### Production and Trade Policy

The government is committed to liberalizing the economy so that South African business can compete effectively in the international market. South African agriculture is to be refocused from a paradigm of isolation and import substitution to an export orientation based on efficiency and comparative advantage.

Historically, the South African agricultural production and marketing system was designed to serve the interests of a relatively small number of commercial farmers at the expense of the consumer. Past agricultural policies promoted capital-intensive forms of production despite widespread rural unemployment. High price incentives, agricultural input subsidies, and excessive protection from imports constituted the basic components of the scrapped import substitution policy.

The Mandela government acknowledges that the policies of the previous apartheid government contributed to the structural problems that have hampered economic performance. After years of isolation from the rest of the world, South African agriculture has become inefficient and noncompetitive in international markets. Although the country appears to have achieved a high degree of food self-sufficiency, many South Africans remain malnourished.

The South African government is placing its highest priority on meeting the nutritional needs of the country's majority black population. Emphasis will be placed on maintaining stable, affordable prices on basic foodstuffs for low-income consumers. The government hopes to achieve this goal without direct intervention in the market through its fiscal policies. It has committed to exempting all basic foods from South Africa's value added tax (VAT), which is set at 14 percent. The government also has proposed to introduce a variable VAT that would place higher rates on nonessential or luxury items.

South Africa implemented the Uruguay Round agreement and ratified its accession from the GATT to the World Trade Organization as a key element in its efforts to re-establish its role in the global trading community. As part of South Africa's commitment to liberalizing trade, the controlled marketing of agricultural products, especially quantitative import controls, will be replaced by an import tariff system. South Africa has agreed to rationalize its tariffs (reduce them to acceptable levels) by the end of a 5-year adjustment period beginning in 1995.

### Overall Trade Trends

South Africa's total agricultural trade in 1994 reached \$4.05 billion, with exports of \$2.3 billion and imports of \$1.7 billion. The historic political changes made in South Africa have been accompanied by a surge in both import and export levels as trade and financial sanctions imposed by other countries have been dismantled. Agricultural export value in 1994 rose 57 percent above the average level of the previous 6 years, while import value more than doubled this comparison period.



## ...South Africa

Despite a diversified agricultural system, South Africa is an important export market for the United States. During years when summer precipitation levels are not favorable, South African grain production suffers and import needs may arise. This explains the record U.S. export levels of bulk commodities to South Africa in the early 1990's. During 1992/93, South Africa imported 2.1 million tons of corn and 1 million tons of wheat. U.S. grain exports to South Africa last year and into the first quarter of 1996 again rose markedly in response to drought-impacted harvests in South Africa. During years when local production is favorable, South Africa produces surplus quantities of basic commodities and exports, particularly of corn, reach significant quantities. Grain sales opportunities for U.S. exporters in the South African market, therefore, will vary widely from year to year.

In contrast to this fluctuating pattern, U.S. sales to South Africa of consumer-ready food products are likely to demonstrate a steady upward trend. To a large extent, this will represent a response to a growing overall economy and the expanding socio-economic enfranchisement of the majority black population.

The United States runs a positive balance of trade in agricultural products with South Africa. U.S. agricultural exports to South Africa in 1994 were valued at \$147 million while U.S. imports reached \$59 million. Despite a significant increase in the value of U.S. imports of South African agricultural products, our trade surplus grew from \$88 million in 1994 to \$187 million in 1995 thanks to an 80-percent increase in the value of our export shipments.

The United States accounts for approximately 10 percent of South Africa's total agricultural import value. The lion's share of U.S. agricultural

imports from South Africa consists of consumer-oriented products such as fresh and processed fruit, fruit juice, wine, and nursery products.

### Food Distribution System

South Africa's wholesale/retail food distribution system is focused upon serving the country's urban areas. To a large degree, this results from the previous government's racially-biased policies that did not favor the economic development of rural areas. Nearly 60 percent of the country's food distribution is handled through a network of supermarkets and grocery stores that are dominated by five large chains. Large food retail outlets in South Africa are similar to those in the United States. Supermarkets in major urban areas such as Johannesburg, Pretoria, Durban, and Cape Town carry a diversified product line, but usually have only a limited selection of frozen or microwaveable foods. Imported food items usually are found in those outlets serving higher-income communities while grocery stores in lower-income neighborhoods tend to concentrate on staple food commodities.

Although some supermarkets do import directly, most stores obtain their imported food items through wholesalers. Two of the more important South African food importers are:

M&L Wholesalers  
Algemene Grothandelaars  
Chainln 11 Mntgu Gdsn Bus 155  
Paardeneiland South Africa  
Tel: (021) 52-5190

J. Melnick  
Packer Av. Eppnglnd  
Box 4098 TA Melnicko CT  
South Africa  
Tel: (021) 54-4151

A complete listing of South African importers can be obtained by contacting

the Agricultural Counselor in the American Embassy Pretoria:

Tel: (011-27-12) 342-1048 ext 2235

Fax: (011-27-12) 342-2264

An important retailing system in urban black areas is the informal sale of food through private residences. In many cases, this distribution is based on bulk purchases of staple food commodities from supermarkets that are repackaged and resold in smaller units on a cash or credit basis. This sector has largely been ignored by South Africa's food chains but is now being viewed as a potential area for expansion. As black income levels rise and formal grocery stores emerge in these newly enfranchised communities, consumer spending habits will change. This will give rise to expanding export opportunities for U.S. consumer foods in the South African market.

### Agricultural Marketing Policy and Import Regulations

In general, the government is reducing its role in the agricultural marketing system. Traditionally, state marketing boards were the key element in South Africa's controlled marketing system. They were set up to function as monopolies, enjoying the power to set production quotas and prices, purchase commodities, and control exports and imports. Many marketing boards already have been eliminated and the level of control exercised by remaining boards is being reduced.

The South African government is moving ahead with the privatization of its grain marketing and trade. This is particularly noteworthy given South Africa's position as an important grain importer and exporter. A new corn marketing scheme was implemented last year. It allows free movement within the domestic market while offering



## ...South Africa

price support for exports. Under the new scheme, the Maize Board continues to control exports but will not control imports. Wheat imports also have been privatized. The South African Wheat Board had been the exclusive importer but individual mills can now import directly. In past years, imports of U.S. wheat were restricted to durum since it was not grown locally. The restriction on non-durum wheat imports has been lifted.

South Africa's Ministry of Trade and Industry is empowered to act in the national interest to prohibit, ration, or otherwise regulate imports. Current regulations require import permits for a wide variety of goods, including foodstuffs. Import permits must be obtained from the Ministry's Director of Import and Export prior to the date of shipment. Failure to produce a required permit could result in the imposition of penalties.

The list of restricted items requiring import permits has been reduced in recent years. Consistent with South Africa's GATT commitments, import duties also are being reduced while all import surcharges were eliminated last October.

### Export/Investment Opportunities

South Africa's food processing industry is dominated by a small number of companies. Many already have existing joint venture and licensing arrangements with U.S. food companies. U.S. firms seeking to enter the South African market may opt to form alliances with major South African firms with established distribution networks.

South Africa provides an excellent entry point into the southern Africa region. Botswana, Lesotho, and Swaziland form part of the South African Customs Union and, therefore, most of their imports already come through South Africa. Additionally, South African trade with

other countries in the region has increased markedly following the elimination of trade sanctions. Given the focus of this region on South Africa as a regional hub for transportation, communication, and finance, neighboring countries will increasingly obtain their food import requirements through South African importers.

Commercial infrastructure, including food distribution, throughout the rural areas of South Africa is very limited. U.S. firms seeking to work with local firms in developing a wholesale/retail food network will be entering on the ground floor and will be in a position to establish long-term trade relationships.

U.S. firms may find excellent opportunities to introduce their food products into the South African market by entering into distribution or franchise arrangements with South African companies. Franchising is being given a priority business development focus by the USAID, OPIC, and other U.S. agencies as they seek to foster investment in South Africa's fast food sector with the black community. Several major U.S. firms have established a presence in South Africa, including McDonalds, Kentucky Fried Chicken, and Pizza Hut.

### U.S.-South African Agribusiness Trade Forum

USDA hosted an agribusiness trade opportunities forum on March 27, 1996. The forum, which included USDA and South African government officials, was aimed at promoting increased U.S. private sector involvement in South Africa. Seventy-two U.S. and South African agri-business representatives were in attendance. The forum followed the first meeting of the newly formed Agriculture Committee of the U.S. - South African Binational Commission. The Agriculture Committee was established in December 1995 by the

Binational Commission, headed by U.S. Vice President Albert Gore, Jr., and South Africa's Executive Deputy President Thabo Mbeki.

The forum, the first activity of the Agriculture Committee, gave participants an opportunity to exchange ideas and information about doing business in South Africa. Topics discussed included public and private financing, food safety requirements, transportation of food products, and opportunities for U.S. products in the South African market. Former South African Minister of Agriculture Andre Van Niekerk emphasized at the forum that "for four decades South Africa's economy had been shut off from the world but artificial barriers are now being torn down." Minister Van Niekerk pointed to the surge in U.S. agricultural exports to South Africa in 1995 and forecast continued growth in trade between the two countries.

### USDA Projects/Programs Supporting the Binational Commission's Trade Goals

The South African government's commitment to social goals includes a free lunch program for children and maternal and child health programs. A USDA nutrition advisor recently provided 3 months of technical assistance to the South African Ministry of Health on policy formulation for a national school feeding program. These programs will create additional demand for quality food products.

A USDA agribusiness advisor is serving in South Africa as a liaison between the U.S. and South African private sectors for the next 2 years. USDA's Cochran Fellowship Program is being offered to South African participants. The program provides short-term training in the United States for agriculturalists from middle-income

## ...South Africa

countries, emerging markets, and emerging democracies. The training helps countries such as South Africa to develop their own agricultural systems while at the same time strengthening and enhancing trade linkages with U.S. agricultural interests.

The Animal and Plant Health Inspection Service (APHIS) of USDA is helping facilitate animal trade with South Africa through technical assistance, disease-risk assessment, and sanitary negotiations. Bovine embryo, bovine semen, and equine semen protocols are currently being discussed.

Last February, USDA announced a \$50-million GSM-103 program for South Africa. This is in addition to the \$50-million GSM-102 program for the Southern African region that was announced last fall. These programs provide credit guarantees on terms of 90 days to 7 years to U.S. banks that finance exports of U.S. agricultural products. South African importers can benefit from these programs, and it is anticipated that South African banks will play a key role in facilitating U.S. exports to South Africa and other countries in the region.

USDA Market Access Program and Foreign Market Development Program funds are helping to support market development projects in South Africa. Projects include addressing trade and technical needs of South Africa's milling and baking sectors, sponsoring bakery seminars, and helping South Africa improve and increase production of textured vegetable protein.

USDA will sponsor an American Foods Pavilion at the Food and Hotel Africa '96 trade show in Johannesburg next November. This show will provide an excellent opportunity for U.S. exporters to introduce their high-value food products into both South Africa and neighboring country markets. This event

follows the participation of 10 South Africans earlier this month at the U.S. Food Export Showcase held in conjunction with the FMI Supermarket Industry Convention in Chicago. South African participation at this trade event was coordinated through USDA's Emerging Markets Program.

### Best Export Prospects

**Poultry:** Poultry meat is the main source of protein for the majority of South Africans. Because of continuing outbreaks of New Castle disease, inefficient production, and high input costs, South African supply falls far short of local requirements. To meet the country's growing demand for low-cost protein, South Africa will have to maintain a growing import trade. Import tariffs on whole broilers and frozen bone-in chicken parts were reduced to 27 percent in July 1995.

U.S. poultry meat export value to South Africa in 1995 totaled \$29 million, up 155 percent over a year earlier. U.S. exports in 1995 consisted largely of \$18 million of frozen chicken cuts, \$9.3 million of meat/offals, and \$1.5 million of frozen turkey cuts. Poultry imports accounted for no more than 10 percent of total consumption, with U.S. product making up 40 percent of total imports.

U.S. poultry export sales have slumped since the last quarter of 1995, following the government's imposition of a ban on the importation of poultry parts in breakbulk shipments. The action reportedly was taken in response to a lack of adequate cold storage facilities at ports of entry and sanitary concerns. The ban currently is under review.

**Red Meat:** Export sales growth is anticipated as disposable income levels for middle-class black families rise, allowing the routine inclusion of red meat in their diets, and in response to South

Africa's expanding tourism industry. U.S. exports to South Africa of fresh, frozen, and chilled red meat reached a record \$2.1 million in 1995.

**Rice:** Imports account for nearly all rice consumed in South Africa. The United States supplied about 16 percent of all rice imports in 1994. Major U.S. brands are recognized in South Africa. Sales potential is excellent as rice is looked upon as a nutritious alternative to corn meal, which is the staple in the diet of black South Africans.

**Frozen/Microwaveable Foods:** South African groceries usually offer only a limited selection of frozen vegetables. The quality of locally produced frozen foods is improving rapidly using imported technology. Demand is growing. The availability of microwaveable products is minimal, but sales are increasing as the microwave oven becomes a standard piece of equipment in middle-income households. Newly introduced items including prepared meals, ethnic foods, confectionery products, and pizza sell well.

**Catering Operations:** These companies provide high-calorie, high-protein diets for more than one million mine workers daily. Sales potential for mechanically deboned poultry meat, vegetable protein, speciality flours, and inexpensive beef (variety meats and offals) is excellent to the more than 29,000 catering companies using these items as ingredients in making sausages, hamburger patties, and meat pies.

**Specialty Products:** Sales potential is high for speciality foods, including sauces, Tex-Mex foods, popcorn, off-season fruits and vegetables, pet food, snack foods, and nuts.

*For more information, contact:  
David Rosenbloom at (202) 720-2136*

# US Exports of Agricultural, Fish & Wood Products to SOUTH AFRICA

Calendar Years 1991 to 1996 and Year-to-Date Comparisons (\$1,000)

Product	Calendar Years					January-March		% Chg
	1991	1992	1993	1994	1995	1995	1996	
<b>Bulk Agricultural Total</b>	52,377	431,161 *	211,743	94,103	179,564	48,621	63,156	29.9%
Wheat	0	8,194	85,654 *	42,359	75,187	29,459	16,717	-43.3%
Coarse Grains	1,853	376,913 *	76,018	232	52,552	4,227	27,472	549.9%
Rice	44,775	41,487	36,989	40,059	35,812	10,637	13,843	30.1%
Soybeans	0	2,233	11,818	9,350	14,008 *	4,157	4,368	5.1%
Cotton	0	147	368	600	753	0	607	NA
Tobacco	1,018 *	148	50	35	177	0	0	NA
Pulses	168	1,561	543	1,120	740	101	60	-40.6%
Peanuts	4,438 *	206	86	101	9	6	0	-100.0%
Other Bulk Commodities	126	271	217	247	327	34	91	167.6%
<b>Intermediate Agricultural Total</b>	17,114	17,250	17,419	25,730	33,162	6,900	10,695	55.0%
Wheat Flour	0	0	0	0	0	0	0	NA
Soybean Meal	0	0	0	27	10	10	0	-100.0%
Soybean Oil	0	451	22	0	0	0	0	NA
Other Vegetable Oils	1,297	790	691	169	106	24	37	54.2%
Feeds & Fodders (excl. pet foods)	953	981	1,405	3,446	1,363	398	1,295	225.4%
Live Animals	1,842	2,178	337	1,256	1,797	281	182	-35.2%
Hides & Skins	50	4	36	398	946 *	204	119	-41.7%
Animal Fats	6	337	353	906	2,901	32	11	-65.6%
Planting Seeds	6,569	5,438	4,083	3,202	4,203	1,095	868	-20.7%
Sugars, Sweeteners & Bever. Bases	36	504	524	3,279	2,427	876	300	-65.8%
Other Intermediate Products	6,360	6,566	9,968	13,048	19,411 *	3,980	7,883	98.1%
<b>Consumer-Oriented Agricultural Total</b>	12,861	19,337	12,986	27,438	53,070 *	22,844	18,965	-17.0%
Snack Foods (excluding nuts)	528	812	715	1,570	1,854 *	71	1,083	1425.4%
Breakfast Cereals & Pancake Mix	338	533	458	321	540 *	145	263	81.4%
Red Meats, Chilled/Frozen	60	194	188	800	2,129 *	1,487	361	-75.7%
Red Meats, Prepared/Preserved	615 *	518	83	98	0	0	12	NA
Poultry Meat	557	6,214	1,167	11,422	29,124 *	15,031	8,779	-41.6%
Dairy Products	5,779 *	5,517	3,019	3,844	3,727	2,331	744	-68.1%
Eggs & Products	0	0	0	15	16	16	28	75.0%
Fresh Fruit	92	353 *	29	29	99	22	0	-100.0%
Fresh Vegetables	305	47	213	43	323 *	0	17	NA
Processed Fruit & Vegetables	1,654	2,004	2,920	2,750	5,344 *	2,151	1,326	-38.4%
Fruit & Vegetable Juices	48	31	101	385 *	58	17	179	952.9%
Tree Nuts	2,034	1,741	2,199	2,287	2,052	340	841	147.4%
Wine and Beer	0	102	177	472 *	300	56	291	419.6%
Nursery Products & Cut Flowers	125	217 *	59	110	207	38	25	-34.2%
Pet Foods, Dog/Cat	16	40	774	1,097	4,799 *	717	2,666	271.8%
Other Consumer-Oriented Products	709	1,016	883	2,195	2,499	422	2,349	456.6%
<b>Wood Products Total</b>	19,953	19,841	25,295	27,988 *	25,845	6,895	8,445	22.5%
Logs	53	8	40	1,245 *	225	71	36	-49.3%
Lumber	15,582	16,732	21,960 *	21,814	19,463	5,193	6,414	23.5%
Plywood & Panel Products	2,642	1,985	2,838	4,295	5,956 *	1,613	1,682	4.3%
Other Wood Products	1,676	1,116	458	634	201	18	314	1644.4%
<b>Fish &amp; Seafood Products Total (Edible)</b>	1,218	1,637	1,247	1,184	1,617	328	602	83.5%
Salmon, Whole/Viscerated	503	992	338	294	1,044 *	180	226	25.6%
Salmon, Canned	492	95	161	63	343	0	267	NA
Crab & Crabmeat	8	23 *	0	0	0	0	3	NA
Surimi (fish paste)	N/A	0	0	0	0	0	0	NA
Roe & Urchin	0	0	0	0	0	0	0	NA
Other Edible Fish & Seafood Products	215	527	748	828	230	148	106	-28.4%
<b>Agricultural Product Total</b>	82,352	467,748	242,148	147,271	265,796	78,365	92,816	18.4%
<b>Agricultural, Fish &amp; Wood Product Total</b>	103,523	489,226 *	268,690	176,443	293,258	85,588	101,863	19.0%

Note: (\*) Highest export level since at least 1970; N/A = not available; NA = not applicable.



# Trade Event:

## American Foods Pavilion

### Food & Hotel Africa '96

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The U.S. Department of Agriculture's Trade Show Office invites U.S. firms to participate in the American Foods Pavilion at the Food & Hotel Africa '96 trade show. The show is scheduled for November 10 - 13, 1996. This important event will take place at the Gallagher Estate, which is strategically located halfway between Johannesburg and Pretoria. Gallagher's is a state-of-the-art conference and exhibition facility with ultra-modern communications systems, security, audiovisual facilities, and banquet accommodations. This will be the first food trade show conducted by USDA in South Africa and will provide American food exporters an excellent opportunity to promote their products in this emerging market.

#### Trade Reform

The South African market is now open after nearly 4 decades of trade isolation. USDA is actively participating under the newly created U.S. - South African Binational Commission to facilitate private sector trade and investment in South Africa. This show is a follow-up activity to the Agribusiness Trade Forum held last March in Washington and the participation of the South African food industry at the U.S. Food Export Showcase held earlier this month in Chicago.

South Africa is committed to liberalizing its trade regime. This entails a significant reduction in South Africa's import duties and the elimination of quantitative import controls. Import demand for U.S. agricultural products benefits from the emergence of South Africa from a prolonged recession. U.S. export value to South Africa of consumer-oriented agricultural products totaled \$53 million in 1995, up 93 percent over a year earlier.

#### Business Environment

Food retailing in South Africa is oriented to serving affluent urban areas. The food distribution system in rural areas is undeveloped. U.S. companies have the opportunity to enter strategic production and marketing alliances in South Africa that will yield long-term trade benefits.

South Africa's newly enfranchised black population represents a large untapped pool of import demand. As disposable income levels rise for South African blacks, U.S. sales to this community will expand quickly. Excellent potential also exists for sales of high-value, consumer-oriented foods to an expanding tourist industry and to a relatively wealthy white

middle-class. South African catering companies, feeding more than one million mine workers daily, constitute another important customer base. They seek imports to help with the preparation of high-calorie, high-protein meals.

Additionally, South Africa is the commercial hub of the southern Africa region. Entry into this market opens U.S. exporters to more than 100 million customers in South Africa and its neighboring countries. The American Foods Pavilion will allow you to contact both regional and local importers, wholesalers, and distributors.

#### Product Eligibility

All products displayed at the American Foods Pavilion at the Food & Hotel Africa '96 show must be comprised of at least 50 percent agricultural and/or food ingredients of U.S. origin computed on a value or volume basis. Product labels must indicate that the products were either produced or processed in the United States.

#### Show Management

The American Foods Pavilion is organized and managed by the Trade Show Office of the U.S. Department of Agriculture (USDA). The USDA Trade Show Office is an experienced exhibition organizer that has sponsored six to eight shows annually for the past 23 years.

#### Show Facilities and Services

USDA is offering exhibitors at the American Foods Pavilion an attractive, full-service package, including a fully appointed booth, an information booth, product shipment and customs clearance, catalog entries, and high show visibility. The Pavilion will consist of 12 booths: 10 measuring 3 X 3 meters and 2 measuring 2.5 X 2.5 meters. Based upon exhibitor demand, additional booth space will be made available. The Pavilion has a prime location at the entrance of Hall 1 and Hall 2 of the Food & Hotel Africa '96 trade show.

#### Product Shipment

The USDA Trade Show Office will ship, one-way, up to 300 pounds of product samples per booth from a consolidation point on the East Coast to the show site. This service includes customs clearance in South Africa. Exhibitors are responsible for delivery of product samples to the U.S. consolidation point.



## Standard Booth Package

Standard booth appointments include:

- One demonstration counter.
- A fascia board with firm name.
- One conference table and two chairs.
- Two spotlights and one electrical outlet.
- Sturdy back and side walls plus carpeting.
- Exhibitor badges for booth representatives.
- Shipping, customs clearance, and drayage of samples

## Optional Services and Equipment

The following optional services and equipment will be available to exhibitors at an additional charge:

- 1: Extra equipment such as telephone service, chillers, freezers, and microwave ovens.
- 2: Additional display aids such as shelving, display cubes, and electrical outlets.
- 3: Plant and flower arrangements

## Registration and Participation Fees

Any manufacturer, processor, or seller of U.S. food or beverage products interested in participating in the American Foods Pavilion should contact the USDA Trade Show Office to obtain a reservation form, details of the terms and conditions related to show participation, and a floor plan of the show indicating booth layout. The deadline for submission of your registration form to USDA's Trade Show office is August 15. The fee for the standard 3 x 3 booth package is \$2,000 while the smaller booth has a fee of \$1,800. The fee for a corner booth is \$2,150. Price information on optional services and equipment is available upon request.

## Booth Selection and Assignment

Booth selection will be made on a first-come, first-served basis. Exhibitors are requested to designate in their reservation form their top three choices for booth assignment from the show's floor plan. Every attempt will be made to honor the first choice. If unable to assign the first choice, second and third choices will automatically be considered. If an exhibitor's top three choices are unavailable, the exhibitor will be contacted before a final assignment is made.

## Official Show Catalog/Directory

Each exhibitor will receive a free listing in the Food & Hotel Africa '96 Show Catalog. The listing will contain the exhibitor's contact data, the exhibitor's product line, and a brief description of the exhibitor's company.

Additionally, USDA will have an American Foods Pavilion Directory. Each company exhibiting will have one page for listing contact data, product line, and a company description (not exceeding 100 words). U.S. exhibitors may purchase additional advertising space in the directory. Advertising space also is available, at a cost, to U.S. companies unable to attend the show.

## Assistance for Small Businesses

Financial assistance is available to help companies offset the cost of promoting U.S. food and beverages at international trade shows. For more details, contact the following organization closest to you.

Eastern U.S. Food & Agriculture Export Council  
Wormleysburg, Pennsylvania  
Tel: 717-731-6017  
Fax: 717-731-6019

Mid-America Agri-Trade Council  
Chicago, Illinois  
Tel: 312-944-3030  
Fax: 312-944-1144

Southern U.S. Trade Association  
New Orleans, Louisiana  
Tel: 504-568-5986  
Fax: 504-568-6010

Western U.S. Agricultural Trade Association  
Vancouver, Washington  
Tel: 360-574-2627  
Fax: 360-574-7083

Additionally, the U.S. Small Business Administration (SBA) has programs to help small companies access and hold on to export markets. For details, contact your local SBA district office or phone 1-800-U-ASK-SBA.

## Show Information

For additional assistance regarding your participation in the American Foods Pavilion at the Food & Hotel Africa '96 trade show, you should contact Jennifer Harris, Trade Show Coordinator, at the:

Trade Show Office  
FAS/USDA  
AG Box 1052  
Room 4939, South Building  
Washington, DC 20250-1052  
Phone: (202) 720-7417  
Fax: (202) 690-4374

# Market Updates

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## **India Allows Imports Of Consumer Pack Almonds**

India's Director General of Foreign Trade officially informed the U.S. Agricultural Counselor in New Delhi that imports of roasted, salted, or flavored almonds in consumer packs would now be freely importable. A related amendment to India's Harmonized System tariff schedule has been issued. This trade development follows weeks of efforts by the U.S. Government to reverse the Government of India's initial decision to ban imports of dried prunes and consumer pack nuts. This announcement clears the way for U.S. almond exporters to pursue market development opportunities for consumer pack almonds in this promising market.

Dried fruits and nuts are among the few agricultural products allowed entry under India's restrictive trade regime, with almonds being the leading U.S. export item in this product category. While bulk product shipments account for the majority of the trade, consumer pack shipments represent a small but growing market segment. USDA's Market Access Program funding currently is being used by the almond industry to position its product as a premium snack.

India, however, continues to maintain import bans on several other products in the dried fruit and nut category, notably prunes and consumer pack pistachios. Efforts aimed at securing a favorable resolution to the problem will continue in both New Delhi and Washington.

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## **Japanese Housing Initiative Encourages U.S. Wood Exports**

On March 29, Japan announced a Housing Initiative with the goal to reduce residential construction costs by 33 percent by Japanese Fiscal Year 2000 by deregulating building standards and promoting imported housing. As a part of this initiative, the Ministry of Construction (MOC) is expected to approve the construction of three story, multi-family, wood-frame structures in the quasi-fire protection zones (urban areas) next year. Since these areas make up the majority of Japan's available residential areas, this could significantly increase the market for U.S. wood products. The MOC also has pledged to change the Building Standard Law to a performance-based construction standard that should allow the increased use of high value-added engineered products.

On April 16, the MOC recognized lumber bearing the grademark of the Western Wood Products Association (WWPA) for use in 2x4 construction in Japan. This will allow Japanese homebuilders, as well as U.S. suppliers of packaged housing, to use WWPA-grademarked lumber without having to grade to the more costly and time-consuming Japanese Agricultural Standards (JAS). This is the first imported building material to be recognized by the MOC and represents a significant departure from previous regulations that had required the use of JAS-grademarked wood products in 2x4 construction. The MOC is promoting direct recognition of foreign building materials for use in 2x4 construction as part of its effort to bring down construction costs in Japan. It is anticipated that additional U.S. products will be recognized in the future.

These actions will further accelerate growth of U.S. exports of softwood lumber, prefabricated housing and fabricated structural members to Japan, the leading overseas market for U.S. wood products. U.S. exports of softwood lumber totaled \$619 million in 1995. Japan imported a record \$51 million of prefabricated housing from the United States in 1995, a 220-percent increase since 1991. U.S. exports of fabricated structural members totaled \$22.7 million in 1995, up fivefold over 1991.

## ... Market Updates

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### **Sri Lanka Waives Rice Import Duty**

Sri Lanka has waived its 35-percent import duty on rice due to reduced domestic availabilities resulting from a drought in their rice growing areas. Sri Lanka became a net rice exporter for the first time in 1994/95 when exports were 50,000 tons. Sri Lanka is forecast to import 300,000 tons of rice in calendar year 1996. India is expected to supply the majority of these imports.

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### **China Barters Corn To Korea**

China has agreed to swap 44,000 tons of corn to South Korea for unspecified equipment. Additional barter deals involving Chinese corn with Japan and Indonesia reportedly are being discussed. The fact that these are not traditional cash sales and are expected to total less than 100,000 tons suggests that there has been no official decision to lift China's ban on corn exports. Even if the ban is lifted, concern over inflation is likely to prevent large export volumes this year. USDA forecasts China to be a 1.5-million-ton net importer of corn. The recent export sales represent a continuation of China's practice of exporting relatively small volumes of corn from their northern surplus regions while importing larger tonnages for their southern deficit regions. U.S. corn sales to China for the 1995/96 (September/August) marketing season currently total just over 2.2 million tons, on pace with a year earlier.

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### **Thai Importers Request Speedy Import Quota Procedures and Reduced Soybean Meal Tariff**

Recent price increases for soybean meal in Thailand have prompted feed processors to request the Thai Government to speed the process for issuing soybean meal import quota allocations. From the total 830,000 tons of soybean meal allocated for the current marketing season, to date only 623,000 tons of quota has been used. India and the United States have been the principal suppliers. U.S. exports plus outstanding sales of soybean meal to Thailand from October through mid-May total 79,000 tons compared to 60,000 tons a year earlier. Thailand's imports of soybean meal during 1995/96 are forecast at 800,000 tons. Thai feed processors, in an attempt to maintain stable meal prices, have requested the Thai government to lower the soybean meal import tariff from 15 percent to 5 percent.

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### **Bulgaria May Import Wheat to Replenish Depleted Reserves**

Bulgarian wheat supplies were expected to be fully depleted by late May or early June, which could lead to import purchasing from the United States. The Bulgarian Government has been releasing wheat from state-owned reserves to offset shortages. The impact of the inadequate wheat supply has been evident in many cities. Bakeries have been running out of bread by the end of the day and households have taken to stockpiling the commodity. Bread prices have doubled in some areas.

Bread is a staple in the Bulgarian diet and usually is served at every meal. Last October, Bulgaria banned wheat exports to forestall short domestic supplies. Bulgaria normally is a net wheat exporter, but periodically becomes a net importer. This year, Bulgaria is likely to be faced with the prospect of utilizing its limited foreign exchange to ensure an adequate wheat supply. Although Bulgaria has not imported large volumes of U.S. wheat in the past, it has turned to the United States to cover a portion of its import needs during years of shortfall.

## ... Market Updates

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### **Turkey Rejects Indian Wheat Due to Karnal Bunt**

The heightened awareness of Karnal bunt is evident by the rejection of a cargo of Indian wheat by Turkey due to the alleged presence of this fungus disease. Turkish officials are testing Indian wheat imports for Karnal bunt and will not accept Indian phytosanitary certificates, which state only that the wheat meets a certain tolerance level for Karnal bunt. The Turkish Government has agreed to accept the wording for this disease included in the phytosanitary certificates issued by USDA's Animal and Plant Health Inspection Service (APHIS). Turkish wheat imports during the current marketing season are forecast at 1.35 million tons, with more than 500,000 tons expected to be supplied by the United States.

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### **U.K. Beef Sales Recover While Beef Slaughter Measures Widen**

The UK Meat and Livestock Commission released data on May 13, showing a 15-percent increase in UK beef sales for the prior week, the biggest weekly increase since March 20, when government officials first announced a possible link between Bovine Spongiform Encephalopathy (BSE), commonly referred to as mad cow disease, and a new variant of a similar human disease, Creutzfeldt-Jakob Disease. Beef sales and prices fell in the UK following this announcement, but are now increasing. Beef sales rose in each of the three most recent weeks for which data was reported and were running at only 6 percent below a year earlier. Comments made by the Meat and Livestock Commission point to a return of consumer confidence in the UK beef market following joint measures taken by the EU and the UK. These include a ban on the slaughter for food of all bovine animals in the UK over 30 months of age, the destruction of cull cows and adult bulls over 30 months, and the enhancement of EU and UK veterinary inspections and controls.

The UK Agricultural Minister has proposed to the EU an extension of the selective slaughter of cattle thought to be at greater risk of contracting BSE. The original scheme called for the slaughter of 40,000 - 42,000 head of cattle known to have been reared with BSE-infected cattle. The revised cull scheme now includes cattle born since the end of 1993, as well as those born before September 1990. This new cull scheme could affect as many as 80,000 cattle. The move by the UK Government is generally viewed as a necessary step to restore confidence in the UK beef industry in other EU countries.

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### **EU Hormone Ban To Be Reviewed by WTO Panel**

The Dispute Settlement Body of the World Trade Organization (WTO) has established a panel to examine the European Union's (EU) ban on imports of beef from animals raised with the benefit of growth hormones. The EU directive has severely restricted imports of U.S. beef. When the EU imposed the ban in 1989, the United States attempted to challenge it under the General Agreement on Tariffs and Trade, but the EU blocked the establishment of an experts group to examine the directive. Under the new WTO rules, the EU can no longer block the establishment of a panel. USDA Secretary Dan Glickman commended the WTO for establishing a panel, stating, "The evidence is overwhelming that proper use of these hormones poses no danger to human or animal health."

The United States requested consultations on this matter with the EU--the first step in the WTO dispute settlement process--on January 26, 1996. Consultations were held in Geneva on March 27, 1996, with Australia, Canada, and New Zealand joining the United States. These consultations failed to produce a resolution. The dispute settlement panel will hear the arguments of both sides and report its finding around the end of this year.



## ... Market Updates

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### **Morocco Privatizes Grain Imports**

The Moroccan Government authorized the private trade to initiate grain imports effective May 1. This function previously had been controlled by the Moroccan Grain Office. Privatization has been delayed more than 18 months due to a severe drought in 1995 which resulted in very poor crops. The Government decided to retain control over imports during this period of short supply.

All of the operational details of the new import system have not yet been announced. Importers are unclear about how much import tax they will have to pay and do not know the extent to which the Government will continue to import. Moroccan wheat imports during 1995/96 are forecast at approximately 2.7 million tons, with the United States projected to supply 690,000 tons. Moroccan wheat imports in 1996/97 are expected to drop to 1.0 million tons. Moroccan corn imports, which are supplied almost exclusively by the United States, are forecast at 400,000 tons in 1996/97.

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### **South African Corn Export Program for Asia**

A private South African exporter recently sold new crop corn, representing the first sale of South African corn to Asia in nearly a year. Malaysia and Indonesia each purchased 30,000 tons at an average price of \$221 per ton, cif basis. The South African corn was priced approximately \$5 per ton below comparable U.S. grain. The sales reportedly specify July-August shipment. According to South Africa's National Crop Estimates Committee, South Africa's current corn crop (1995/96 season) is estimated at 9.6 million tons compared to only 4.4 million tons a year earlier. Harvesting of South Africa's new crop was delayed somewhat by wet conditions but began in many growing zones in mid-April.

Good harvests in both South Africa and Argentina will likely result in increased corn sales for these exporters to Asian destinations. The United States has been the dominant supplier to Asia for the last 6 to 8 months. While the re-entry of these two exporters is likely to have a moderating effect on international price levels, impact on U.S. sales to the Asian region will be minimal.

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### **Mexico Imports Dry Beans**

The Government of Mexico auctioned quota certificates on May 23 for the importation of an additional 71,462 tons of dry beans duty free from the United States and Canada. Earlier this year, the Government of Mexico auctioned quota certificates for 53,035 tons of U.S. beans and 1,591 tons of Canadian beans as required by NAFTA. The Mexican Government is expected to announce an auction for June to import an additional 100,000 tons duty free from any source. Mexico has not bought significant quantities of U.S. dry beans since 1990.

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### **Mexican Imports of U.S. Soybeans Sharply Higher**

During the first 7 months of the current marketing year (September 1995 through March 1996), U.S. soybean exports to Mexico totaled 1.4 million tons, an increase of 36 percent over the same period a year earlier. The increased exports are attributed to a reduction in Mexico's production due to a persistent drought and a white fly infestation. Total U.S. soybean exports to Mexico during the current 1995/96 season are forecast at nearly 2.2 million tons, up about 15 percent over 1994/95. The GSM-102 Credit Guarantee Program plays a vital role in facilitating U.S. soybean exports to Mexico.

## ... Market Updates

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### **Mexican Tomato Anti-Dumping Investigation Advances**

With a 5-0 affirmative vote on May 16, the International Trade Commission made a preliminary determination that U.S. tomato growers have been injured, or threatened with injury, by rising imports of Mexican tomatoes. This step advances the anti-dumping petition filed on April 1 by assorted groups representing the Florida tomato industry. The next step in the consideration of the petition is the Commerce Department's preliminary decision on dumping due on September 5. Inspection data supplied by the Agricultural Marketing Service through early May show that imports of Mexican tomatoes so far in the 1995/96 season have risen 13 percent over the year earlier period. The current March 1- July 14 tariff rate quota of 175,579 tons was filled on April 25, triggering an increase in the import duty from 3.2 cents per kilogram to 4.4 cents per kilogram.

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### **Mexican Imports of U.S. Horticultural Products Show Signs of Recovery**

The first quarter of 1996 appears to have marked the turning point in the falling trend for U.S. horticultural exports to Mexico and the rising trend in U.S. horticultural imports from Mexico. After falling sharply each quarter in 1995 in the wake of the December 1994 devaluation of the Mexican peso, U.S. horticultural exports to Mexico during the first quarter of 1996 were valued at nearly \$84 million, up 26 percent over the same quarter in 1995. The total value for horticultural imports from Mexico during the same period fell 8 percent to \$779 million, also a reversal of the recent trend. These first quarter trade performances translate into a horticultural product trade surplus in Mexico's favor of \$695 million. However, this figure represents an 11-percent reduction from the surplus level Mexico posted in the first quarter of 1995. The outlook is for a steady, gradual recovery in U.S. horticultural product exports. Continued market development and promotion activities funded by USDA's Market Access Program will be critical in helping U.S. horticultural product sales to rebound in the Mexican market.

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### **Record Horticultural Trade With CBI Countries**

U.S. horticultural trade with the Caribbean and Central American countries included in the Caribbean Basin Initiative (CBI) set a record in 1995. Total 1995 import value reached \$1.05 billion, while exports were \$273 million. Besides bananas, which normally account for about 60 percent of total U.S. horticultural imports from the region, fresh melons (mostly cantaloupes), pineapples, and nursery products (mainly live plants and cut flowers) continue to be the major import items. The top five suppliers remained Costa Rica, Guatemala, the Dominican Republic, Honduras, and Jamaica. These CBI countries supplied 90 percent of total U.S. imports of horticultural products from the region in 1995, excluding bananas and plantains, which enjoyed duty-free access into the United States before the CBI program was implemented.

U.S. shipments of fresh fruits and vegetables, processed fruit and vegetables (canned, frozen, and dried), juices, and wine continued strong in 1995. Horticultural exports to Haiti increased more than 400-fold due to the lifting of trade sanctions in October 1994. However, sales of nursery products, hops, and miscellaneous preparations to CBI countries decreased due to relatively higher U.S. product prices. A strong emphasis on production and export of fruits and vegetables, combined with their geographical proximity, will likely continue to boost CBI exports to the United States. U.S. horticultural exports to CBI countries will also continue to increase.

# US Exports of Agricultural, Fish & Wood Products to All Countries

Calendar Years 1991 to 1996 and Year-to-Date Comparisons (\$1,000)

Product	Calendar Years					January-March		% Chg
	1991	1992	1993	1994	1995	1995	1996	
<b>Bulk Agricultural Total</b>	18,348,386	19,687,248	18,593,458	18,951,466	26,018,597	6,960,402	8,665,008	24.5%
Wheat	3,292,138	4,449,324	4,664,582	4,056,007	5,447,333	1,218,297	1,684,603	38.3%
Coarse Grains	5,722,597	5,736,599	5,000,598	4,731,925	8,152,928	1,794,223	2,591,206	44.4%
Rice	753,557	726,072	771,312	1,010,548	997,833	245,688	265,528	8.1%
Soybeans	3,956,443	4,380,402	4,598,746	4,330,427	5,400,038	1,602,603	2,180,763	36.1%
Cotton	2,491,999	2,010,338	1,540,678	2,676,263	3,713,889 *	1,464,624	1,340,789	-8.5%
Tobacco	1,427,631	1,650,559 *	1,306,067	1,302,745	1,399,863	425,916	420,945	-1.2%
Pulses	268,414	191,656	213,254	280,649	264,153	60,247	45,522	-24.4%
Peanuts	180,304	240,308	204,576	187,552	266,243	62,110	48,791	-21.4%
Other Bulk Commodities	255,304	301,989	293,645	375,352	376,318	86,695	86,862	0.2%
<b>Intermediate Agricultural Total</b>	8,789,224	9,231,134	8,973,466	9,749,696	10,992,075 *	3,126,685	2,865,628	-8.3%
Wheat Flour	184,256	184,317	205,729	211,248	236,368	70,754	26,556	-62.5%
Soybean Meal	1,155,307	1,294,722	1,132,041	958,920	1,074,516	325,457	397,194	22.0%
Soybean Oil	222,126	376,202	363,897	525,077	694,080	354,350	93,407	-73.6%
Other Vegetable Oils	418,144	502,732	543,897	671,187	921,440 *	245,167	267,170	9.0%
Feeds & Fodders (excl. pet foods)	1,605,732	1,722,327	1,744,163	1,738,454	1,902,403 *	492,376	549,930	11.7%
Live Animals	686,563 *	607,891	518,927	587,352	519,242	111,136	107,797	-3.0%
Hides & Skins	1,357,570	1,326,054	1,268,658	1,507,616	1,727,629	458,388	381,017	-16.9%
Animal Fats	426,824	515,214	501,702	598,546	788,703 *	204,515	176,310	-13.8%
Planting Seeds	671,655	675,011 *	619,359	648,614	666,360	240,243	258,050	7.4%
Sugars, Sweeteners & Bever. Bases	634,101	573,921	567,807	656,761	629,634	169,274	132,297	-21.8%
Other Intermediate Products	1,426,946	1,452,744	1,507,288	1,645,921	1,831,699 *	455,025	475,899	4.6%
<b>Consumer-Oriented Agricultural Total</b>	11,967,920	13,895,994	14,911,316	16,988,134	18,787,618 *	4,233,477	4,656,800	10.0%
Snack Foods (excluding nuts)	633,040	829,679	1,024,643	1,101,668 *	1,049,207	233,861	268,334	14.7%
Breakfast Cereals & Pancake Mix	216,802	219,762	252,993	291,979 *	275,239	63,041	79,299	25.8%
Red Meats, Chilled/Frozen	2,660,267	3,112,361	3,055,222	3,383,394	4,162,666 *	888,994	1,052,216	18.4%
Red Meats, Prepared/Preserved	165,101	181,562	220,038	253,621	283,988 *	54,770	76,377	39.5%
Poultry Meat	817,913	928,464	1,100,613	1,570,414	2,025,713 *	439,061	564,611	28.6%
Dairy Products	462,956	793,754	857,487 *	753,257	796,750	174,395	181,218	3.9%
Eggs & Products	143,367	139,234	139,438	164,653	170,719	36,152	45,937	27.1%
Fresh Fruit	1,561,053	1,683,344	1,707,147	1,953,767	1,972,864 *	428,823	442,464	3.2%
Fresh Vegetables	832,935	899,624	985,953	1,046,789	1,068,572 *	287,451	247,004	-14.1%
Processed Fruit & Vegetables	1,394,490	1,558,121	1,639,583	1,720,891	1,906,561 *	457,429	444,053	-2.9%
Fruit & Vegetable Juices	385,414	461,017	469,517	543,013	659,043 *	163,352	158,795	-2.8%
Tree Nuts	867,704	928,531	998,246	1,106,416	1,169,129 *	263,904	274,417	4.0%
Wine and Beer	315,756	369,181	379,301	532,735	648,681 *	129,989	135,309	4.1%
Nursery Products & Cut Flowers	201,442	201,321	209,397 *	197,985	193,300	55,271	59,803	8.2%
Pet Foods, Dog/Cat	329,772	399,630	497,621	577,943	630,237 *	151,705	157,900	4.1%
Other Consumer-Oriented Products	979,907	1,190,410	1,374,116	1,789,607 *	1,774,949	405,278	469,063	15.7%
<b>Wood Products Total</b>	6,429,179	6,741,685	7,281,313 *	7,085,787	7,245,897	1,848,730	1,767,629	-4.4%
Logs	2,074,432	2,140,010	2,489,560 *	2,277,981	2,287,347	594,913	499,110	-16.1%
Lumber	2,203,353	2,322,491	2,449,643 *	2,428,150	2,411,741	617,741	588,100	-4.8%
Plywood & Panel Products	735,227	847,867	906,397	944,360	996,592 *	280,126	253,369	-9.6%
Other Wood Products	1,416,167	1,431,317	1,435,714	1,435,297	1,550,217 *	355,950	427,050	20.0%
<b>Fish &amp; Seafood Products Total (Edible)</b>	3,035,383	3,353,935	2,959,086	3,002,265	3,138,220	779,108	673,469	-13.6%
Salmon, Whole/Eviscerated	436,975	681,663	583,060	518,413	545,283	24,510	24,339	-0.7%
Salmon, Canned	133,644	154,401	160,416	161,577	174,946 *	44,713	29,910	-33.1%
Crab & Crabmeat	431,411	448,050 *	417,660	349,136	209,070	115,609	70,691	-38.9%
Surimi (fish paste)	N/A	367,627 *	274,322	318,850	353,433	132,630	78,580	-40.8%
Roe & Urchin	389,031	421,396	415,319	408,963	505,873 *	185,558	189,067	1.9%
Other Edible Fish & Seafood Products	1,644,322 *	1,280,798	1,108,309	1,245,325	1,349,614	276,087	280,882	1.7%
<b>Agricultural Product Total</b>	39,105,530	42,814,376	42,478,240	45,689,296	55,798,290 *	14,320,564	16,187,436	13.0%
<b>Agricultural, Fish &amp; Wood Product Total</b>	48,570,092	52,909,996	52,718,639	55,777,348	66,182,407 *	16,948,402	18,628,534	9.9%

Note: (\*) Highest export level since at least 1970; N/A = not available; NA = not applicable.



# U.S. Exports of Agricultural, Fish & Forest Products by Major Group

## Monthly and Annual Performance Indicators

Export Values	March			October-March			Fiscal Year		
	1995	1996		FY '95	FY '96		1995	1996(f)	
	-- \$Billion --		Chg	-- \$Billion --		Chg	--- \$Billion ---		Chg
Grains and Feeds 1/	1.479	2.020	37%	8.524	11.030	29%	17.637	22.0	25%
Wheat & Flour	0.437	0.625	43%	2.541	3.446	36%	5.201	6.9	33%
Rice	0.077	0.071	-7%	0.574	0.541	-6%	1.050	1.1	5%
Coarse Grains 2/	0.627	0.960	53%	3.371	4.909	46%	7.411	9.5	28%
Corn	0.552	0.859	56%	2.974	4.361	47%	6.619	8.6	30%
Feeds & Fodders	0.220	0.247	12%	1.279	1.365	7%	2.511	2.9	15%
Oilseeds and Products	0.953	1.015	6%	5.441	5.837	7%	9.119	9.4	3%
Soybeans	0.505	0.728	44%	3.261	3.965	22%	5.274	6.1	16%
Soybean Cakes & Meals	0.112	0.123	10%	0.601	0.668	11%	1.079	1.1	2%
Soybean Oil	0.176	0.018	-90%	0.574	0.199	-65%	0.809	0.4	-51%
Other Vegetable Oils	0.082	0.073	-10%	0.471	0.497	6%	0.918	N/A	N/A
Livestock Products	0.670	0.680	2%	3.816	4.084	7%	7.845	8.6	10%
Beef, Pork & Variety Meats	0.320	0.369	15%	1.844	2.176	18%	4.038	4.7	16%
Hides, Skins & Furs	0.168	0.142	-15%	0.853	0.787	-8%	1.738	1.6	-8%
Poultry Products	0.194	0.210	8%	1.090	1.356	24%	2.210	2.7	22%
Poultry Meat	0.164	0.181	10%	0.915	1.176	28%	1.867	N/A	N/A
Dairy Products	0.078	0.056	-29%	0.365	0.360	-1%	0.789	0.8	1%
Unmanufactured Tobacco	0.141	0.154	10%	0.789	0.855	8%	1.329	1.5	13%
Cotton and Linters	0.546	0.306	-44%	2.219	2.313	4%	3.496	3.0	-14%
Planting Seeds	0.060	0.063	4%	0.455	0.460	1%	0.680	0.7	3%
Horticultural Products	0.750	0.774	3%	4.679	4.643	-1%	9.110	9.4	3%
Sugar & Tropical Products	0.165	0.159	-4%	0.995	0.955	-4%	1.940	1.9	-2%
Forest Products 4/	0.680	0.623	-8%	3.659	3.489	-5%	7.274	N/A	N/A
Fish and Seafood Products 4/	0.337	0.305	-9%	1.441	1.301	-10%	3.172	N/A	N/A
Total Agriculture	5.035	5.436	8%	28.367	31.888	12%	54.141	60.0	11%
Total Aq., Fish & Forest	6.052	6.364	5%	33.467	36.679	10%	64.587	N/A	N/A

Export Volumes	---- MMT----			---- MMT----			---- MMT----		
			Chg			Chg			Chg
Grains and Feeds 1/	10.097	10.574	5%	59.434	60.129	1%	118.626	N/A	N/A
Wheat	2.691	2.961	10%	16.412	16.814	2%	32.094	32.0	-0%
Wheat Flour	0.149	0.024	-84%	0.585	0.218	-63%	1.184	0.5	-58%
Rice	0.272	0.225	-17%	2.129	1.524	-28%	3.767	3.0	-20%
Coarse Grains 2/	5.618	6.039	7%	32.147	33.663	5%	65.670	61.4	-7%
Corn	4.979	5.432	9%	28.388	30.069	6%	58.645	55.5	-5%
Feeds & Fodders	1.164	1.157	-1%	6.895	6.661	-3%	13.483	13.5	0%
Oilseeds and Products	3.380	3.280	-3%	20.809	19.342	-7%	34.050	30.1	-12%
Soybeans	2.261	2.545	13%	14.871	14.563	-2%	23.584	22.0	-7%
Soybean Cakes & Meals	0.628	0.501	-20%	3.382	2.952	-13%	6.094	4.9	-20%
Soybean Oil	0.256	0.031	-88%	0.868	0.329	-62%	1.216	0.7	-42%
Other Vegetable Oils	0.103	0.103	0%	0.654	0.692	6%	1.281	N/A	N/A
Livestock Products 3/	0.326	0.312	-4%	1.812	1.865	3%	3.703	N/A	N/A
Beef, Pork & Variety Meats	0.095	0.113	19%	0.583	0.685	17%	1.256	1.5	19%
Poultry Products 3/	0.175	0.186	6%	0.948	1.191	26%	1.943	N/A	N/A
Poultry Meat	0.172	0.182	6%	0.925	1.168	26%	1.901	2.3	21%
Dairy Products 3/	0.043	0.032	-26%	0.195	0.252	29%	0.440	N/A	N/A
Unmanufactured Tobacco	0.020	0.022	14%	0.117	0.130	11%	0.197	N/A	N/A
Cotton & Linters	0.308	0.172	-44%	1.363	1.286	-6%	2.068	1.7	-18%
Planting Seeds	0.035	0.057	63%	0.271	0.355	31%	0.541	N/A	N/A
Horticultural Products 3/	0.601	0.624	4%	3.643	3.569	-2%	7.001	7.2	3%
Sugar & Tropical Products 3/	0.080	0.086	8%	0.513	0.543	6%	1.104	N/A	N/A
Total Agriculture 3/	15.065	15.345	2%	89.106	88.662	-0%	169.674	160.4	-5%

Notes: 1/ Includes pulses, corn gluten feed and meal; 2/ Includes corn, oats, barley, rye and sorghum; 3/ includes only those items measured in metric tons; 4/ items not included in agricultural product totals. N/A = not available.

FY 1996 forecasts (f) are based on USDA's "Outlook for Agricultural Exports," published May 30, 1996.



# U.S. Agricultural Export Value by Region

## Monthly and Annual Performance Indicators

	March			October-March			Fiscal Year		
	1995	1996	Chg	FY '95	FY '96	Chg	1995	1996(f)	Chg
	-- \$Billion --			-- \$Billion --			-- \$Billion --		
<b>Western Europe</b>	0.878	0.885	1%	5.131	5.687	11%	8.606	9.4	9%
European Union 1/	0.842	0.845	0%	4.938	5.485	11%	8.256	9.0	9%
Other Western Europe	0.036	0.039	9%	0.193	0.202	5%	0.350	0.4	14%
<b>Central &amp; Eastern Europe</b>	0.019	0.024	30%	0.178	0.212	19%	0.283	0.3	6%
<b>Former Soviet Union</b>	0.132	0.136	3%	0.576	0.902	56%	1.158	1.6	38%
Russian Federation	0.100	0.072	-28%	0.460	0.634	38%	0.911	1.3	43%
<b>Asia</b>	2.391	2.468	3%	11.983	13.854	16%	23.979	27.6	15%
Japan	0.867	1.071	24%	5.023	5.980	19%	10.447	12.0	15%
China	0.423	0.220	-48%	1.278	1.208	-5%	2.413	2.5	4%
Other East Asia	0.735	0.806	10%	3.741	4.162	11%	7.562	8.3	10%
Taiwan	0.254	0.270	6%	1.274	1.440	13%	2.552	2.8	10%
South Korea	0.338	0.421	25%	1.730	1.963	13%	3.576	4.0	12%
Hong Kong	0.142	0.114	-20%	0.734	0.758	3%	1.425	1.5	5%
Other Asia	0.366	0.371	1%	1.942	2.504	29%	3.558	4.8	35%
Pakistan	0.077	0.042	-46%	0.286	0.291	2%	0.389	0.4	3%
Philippines	0.057	0.066	15%	0.319	0.449	41%	0.675	0.9	33%
<b>Middle East</b>	0.217	0.278	28%	1.314	1.443	10%	2.404	2.7	12%
Israel	0.040	0.065	64%	0.232	0.331	43%	0.452	0.6	33%
Saudi Arabia	0.049	0.081	65%	0.263	0.330	26%	0.479	0.6	25%
<b>Africa</b>	0.257	0.230	-10%	1.521	1.640	8%	2.806	3.2	14%
North Africa	0.195	0.160	-18%	1.121	1.163	4%	1.972	2.3	17%
Egypt	0.134	0.089	-34%	0.721	0.764	6%	1.294	1.4	8%
Algeria	0.041	0.035	-14%	0.247	0.195	-21%	0.440	0.4	-9%
Sub-Saharan Africa	0.062	0.070	13%	0.400	0.477	19%	0.833	1.0	20%
<b>Latin America</b>	0.591	0.890	51%	4.279	4.789	12%	8.101	8.9	10%
Mexico	0.247	0.485	96%	1.962	2.323	18%	3.700	4.4	19%
Other Latin America	0.344	0.406	18%	2.318	2.466	6%	4.401	4.5	2%
Brazil	0.031	0.026	-16%	0.466	0.270	-42%	0.638	0.4	-37%
Venezuela	0.037	0.058	54%	0.238	0.216	-9%	0.493	0.4	-19%
<b>Canada</b>	0.484	0.492	2%	2.892	2.848	-2%	5.830	5.9	1%
<b>Oceania</b>	0.049	0.031	-36%	0.332	0.222	-33%	0.563	0.4	-29%
<b>World Total</b>	<b>5.035</b>	<b>5.435</b>	<b>8%</b>	<b>28.367</b>	<b>31.889</b>	<b>12%</b>	<b>54.143</b>	<b>60.0</b>	<b>11%</b>

Note: 1/ EU-15 includes the newest member states of Austria, Finland and Sweden.

FY 1996 forecasts (f) are based on USDA's "Outlook for U.S. Agricultural Exports," published May 30, 1996.

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